



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

February 9, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 3007

David Penney
Penney's Gemstones
2400 East 30 South
P.O. Box 312
Beaver, Utah 84713-0312

Subject: Conditional Approval of Time Extension Request for Submittal of LMO Application, David Penney, Sliver3-4, S/001/057, Beaver County, Utah

Dear Mr. Penney:

On November 26, 2003, we received a request from you to extend the deadline for submittal of your Sliver 3-4 mine Large Mine Permit application, until April 30, 2004. Your application was originally due on December 1, 2003 per the requirements of the Division's Notice of Potential Non-Compliance and Division Directive, issued September 29, 2003. We apologize for the unforeseen delay in providing you with our written response.

We have confirmed that the BLM is holding a \$50,000 nationwide (Letter of Credit), of which \$20,000 has been designated for reclamation of this mine site. This surety will satisfy the bonding requirements temporarily, until we can prepare a site specific reclamation estimate as part of the large mine permit approval process.

After evaluating your justification for the time extension, we are prepared to grant approval of your request subject to the following conditions:


- 1) That you agree to contact the Division to schedule a time (no later than March 15, 2004) to meet with Division staff to discuss the status of your draft Large Mine permit application.

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- 2) That you agree not to operate or expand your mining operation outside of the established five-acre footprint (*which you were previously directed to outline with appropriate onsite markers*).
- 3) That you have a **complete** draft of your Large Mine permit application filed with this office, no later than April 30, 2004. A failure to meet this deadline may result in an order to immediately suspend all operations at the site, until the large mine permit is approved.

If you have any further questions regarding the conditions of this time extension, please contact me at (801) 538-5286, or Tom Munson at 538-5321. We look forward to working with you in completing the required large mine permit for this site in a timely manner.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

DWHEM:jb

cc: Ed Ginouves, BLM, Cedar City FO (UTU-71326)
O:\M001-Beaver\S0010057-Silver3-4\final\extension request-02032004.doc

Mine Permit Number 51001/0057 Mine Name Sliver 3-4
Operator David Penney Date Sent / Received Feb. 6, 2004
TO David Penney FROM BLM - Rita, Ed

☐ CONFIDENTIAL ☐ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☒ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW NOI ☐ AMENDMENT
☐ OTHER _____

Description Year - Record Number

☐ NOI ☒ Incoming ☐ Outgoing ☐ Internal ☐ Superceded
BLM letter 2004-0003

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 8 1/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____